

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:

AEC ELECTRIC CORP.,

Debtor.

Chapter 7

Case No. 14-45427

Hon. Timothy A. Barnes

Hearing: October 4, 2017 at 10:30 a.m.

NOTICE OF MOTION

TO: See certificate of service

PLEASE TAKE NOTICE that on October 4, 2017 at 10:30 a.m. or as soon thereafter as counsel may be heard, counsel shall appear Honorable Timothy A. Barnes, in Courtroom 744 of the Everett McKinley Dirksen U.S. Courthouse, 219 S. Dearborn Street, Chicago, Illinois, and shall then and there present the *Chapter 7 Trustee's Motion For Entry of an Order Pursuant To Section 542 Of The Bankruptcy Code and Bankruptcy Rule 9019 (A) Approving Compromise of Northwestern University Account Receivable, (B) Authorizing Trustee To Execute Final Waiver of Lien, and (C) to Shorten Rule 2002 Notice Period to 14 Days*, a copy of which accompanies this Notice.

OBJECTIONS MUST BE FILED WITHIN 14 DAYS OF THIS NOTICE

CARLSON DASH, LLC,

Dated: September 20, 2017.

By: /s/ James M. Dash

James M. Dash ARDC #6200504
Steven D. Mroczkowski ARDC #6302590
CARLSON DASH, LLC
216 S. Jefferson Street, Suite 504
Chicago, IL 60661
Telephone: (312) 382-1600

CERTIFICATE OF SERVICE

Steven D. Mroczkowski, the undersigned attorney, hereby certifies that he caused a true and correct copy of the foregoing *Chapter 7 Trustee's Motion For Entry of an Order Pursuant To Section 542 Of The Bankruptcy Code and Bankruptcy Rule 9019 (A) Approving Compromise of Northwestern University Account Receivable, (B) Authorizing Trustee To Execute Final Waiver of Lien, and (C) to Shorten Rule 2002 Notice Period to 14 Days* to be served on all parties identified as Registrants on the list below, and served all other creditors and/or interested parties via First Class U.S. Mail by placing the same in properly addressed envelopes with proper postage pre-paid on September 20, 2017.

Registrants in the Case (Service through ECF):

Scott R. Clar	sclar@craneheyman.com
James P. Ziegler	jziegler@spklaw.com
Erica Del Aguila	delaguila@dleclaw.com
Margery Newman	mnewman@dleclaw.com
Joel A. Stein	joelastein@dleclaw.com
Robert Radasevich	rradasevich@ngelaw.com
Charles M. Baum	cbaum@ginsbergjacobs.com
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Tomasz Sobieraj	tom@troutdowning.com
Patrick S. Layng	USTPRegion11.ES.ECF@usdoj.gov
Phillip D. Levey, ESQ	levey47@hotmail.com
Matthew Linder	mlinder@sidley.com

Service via U.S. Mail:

Accu-Tech 1495 Hembree Road, Suite 100 Roswell, GA 30076	Albert Baba 6480 N LeRoy Lincolnwood, IL 60712
AT&T Mobility PO Box 6463 Carol Stream, IL 60197-6463	Bank of America PO Box 15220 Wilmington, DE 19886-5220
Blueprint Shoppe 5128 N. Elston Chicago, IL 60630	Bright Electrical Supply Co. 217 N. Western Ave. Chicago, IL 60612
Brook Electrical Distribution 62393 Collections Center Dr. Chicago, IL 60693	Butler Coring Inc. 1350 Tri-State Parkway Gurnee, IL 60031
C.W. Olson & Company Stein Ray LLP (Attn: Andrew Donivan) 222 West Adams Street, Suite 1800 Chicago, IL 60606	Centric Corporation 10245 Summerwind Dr. Boise, ID 83704

Chase Auto Finance PO Box 9001801 Louisville, KY 40290-1801	Collette A. Brown Neal, Gerber & Eisenberg, LLP Two N. LaSalle St., Suite 1700 Chicago, IL 60602
City of Chicago Dept. of Buildings/License & Registration 121 N. LaSalle Room 900 Chicago, IL 60607	Comcast PO Box 3001 Southeastern, PA 19398-3001
Colliers International 1717 McKinney Ave., #900 Dallas, TX 75202	Common Sense Solutions 200 W. 22nd St., #202 Lombard, IL 60148
Commitment Forms & Graphics PO Box 554 Elmhurst, IL 60126	Cornerstone Solutions 901 W. Jackson Blvd., #402 Chicago, IL 60607
Community Bank of Oak Park 1001 Lake Street Oak Park IL 60301	CRP Holdings C, L.P. Collette A. Brown Neal, Gerber & Eisenberg, LLP Two N. LaSalle St., Suite 1700 Chicago, IL 60602
Crescent Electric Supply Co. PO Box 500 East Dubuque, IL 61025-4420	Dell Business Credit Payment Processing Center PO Box 6403 Carol Stream, IL 60197-5275
CSC Communication Supply 3462 Solution Center Dr. Chicago, IL 60677-3004	Des Plaines Office Equipment 1020 Bonaventure Drive Elk Grove Village, IL 60007
Dell Financial Services, LLC Resurgent Capital Services PO Box 10390 Greenville, SC 29603-0390	Dude Electrical Testing, LLC 145 Tower Drive, Unit 9 Willowbrook, IL 60527
Diamond Rigging Corporation 680 Kingsland Drive Batavia, IL 60510	Electrical Insurance Trustees 221 North La Salle Drive Chicago, IL 60601
Fire & Security Specialist 4830 W. 128th Place Avera, GA 30803	First Communications Globalcom, Inc. PO Box 182263 Columbus, OH 43218-2263
First Security Systems, Inc. 1811 High Grove Lane, #1 Naperville, IL 60540	Forces, Inc. 31W350 Diehl Road Naperville, IL 60563-9630
Fuller Construction, Inc. 5601 W Howard St Niles, IL 60714	Fuller Construction, LLC 1579 King George Court Palatine, IL 60067

G&W Electric Company 25249 Network Place Chicago, IL 60673-1252	Garvey's Office Products 7500 N. Caldwell Ave. Niles, IL 60714
Graybar Electric Co., Inc. 12431 Collections Center Drive. Chicago, IL 60693	GreatAmerica Financial Services 625 First St, SE #800 Cedar Rapids, IA 52401
GreatAmerica Financial Services Corporation ATTN: Peggy Upton, Litigation Specialist P.O. Box 609 Cedar Rapids, IA 52406	Gus Berthold Electric Company 1900 W. Carroll Ave. Chicago, IL 60612
Helical Pier Solution, Inc. Box 311 Wilmot, WI 53192	High Voltage Electric, Inc. 102 N. Fifth Ave. Saint Charles, IL 60174
Hinckley Springs PO Box 660579 Dallas, TX 75266-0579	Home Depot Credit Card Department 32-2541898825 PO Box 18 Columbus, OH 43218-3176
Illinois Secretary of State Dept. of Business Services 501 S. Second Street , Room 350 Springfield, IL 62756	Jacqui & Albert Baba 6480 N LeRoy Lincolnwood, IL 60712
Jack's Inc. 6638-42 W. 26th Street Berwyn, IL 60402	Lead Industries, Inc. 5601 W. Howard St. Niles, IL 60714
L.N.P. Development 1052 S. Chestnut Ave. Arlington Heights, IL 60005	Liberty Mutual Insurance Co. 25761 Network Place Chicago, IL 60673-1257
LeMoi Hardware 1008 Davis St. Evanston, IL 60201	Marciano Underground LLC 8525 W. 191st St., Unit 32 Mokena, IL 60448
LoVerde Construction 800 S. Milwaukee Ave. Wheeling, IL 60090	McCann 543 S. Rohlwing Rd. (Route 53) Addison, IL 60101-4284
Marshall Electric Supply, Inc. 7400 N. Western Ave. Chicago, IL 60645	Midwest Fence Corporation 900 N. Kedzie Ave. Chicago, IL 60651-4187
Metropolitan Industries, Inc. 37 Forestwood Drive Romeoville, IL 60446	Mine Safety Appliances 8047 W. 185th St. Tinley Park, IL 60487
Millennium Contracting Corp. 1841 S. Calumet Ave., #120 Chicago, IL 60616	National Electrical Benefit Fund 2400 Research Blvd Rockville, MD 20850-3266

Nat'l Electrical Benefit Fund Chicago & Cook County EBB #16 Five West Westchester, IL 60154	Niles Police Department 7000 W. Touhy Niles, IL 60714-4393
Nicor PO Box 5407 Carol Stream, IL 60197-5407	Paul Horak 9519 271st Ave Trevor, WI 53179
Paramount Electric Supply, Inc. 75 Remittance Drive Dept. 6659 Chicago, IL 60675-6659	Paychex Inc Attn: Bankruptcy Dept. 225 Kenneth Drive Ste 100 Rochester, NY 14623
Paychex, Inc. 230 West Monroe Street #1020 Chicago, IL 60606	RBS/Citizens Bank PO Box 42113 Providence, RI 02940
Penske Truck Leasing Co., L.P. PO Box 563 Reading, PA 19603-0563	Siemens Industry, Inc. c/o Citibank (Bldg Tech) PO Box 2134 Carol Stream, IL 60132-2134
Robin & Edward Baba 2114 Linden Ave. Highland Park, IL 60035	SimplexGrinnell 50 Technology Drive Westminster, MA 01441
Simplex Grinnell Dept. CH 10320 Palatine, IL 60055-0320	Sub Surface Vision Inc. 1161 W. Frank St. Beecher, IL 60401
Sprint Corp. Attn: Bankruptcy Dept. PO Box 7949 Overland Park KS 66207-0949	Weltman Bernfield LLC 485 E. Half Day Road, #250 Buffalo Grove, IL 60089-8806
Village of Niles 1000 Civic Center Drive Niles, IL 60714	Reinhart Boerner Van Deuren s.c. 1000 N. Water Street, Ste. 1700 Milwaukee, WI 53202 Attn: Peter C. Blain

/s/ James M. Dash

**UNITED STATES BANKRUPTCY COURT
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IN RE:

AEC ELECTRIC CORP.,

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Case No. 14-45427

Hon. Timothy A. Barnes

Hearing: October 4, 2017 at 10:30 a.m.

**CHAPTER 7 TRUSTEE'S MOTION FOR ENTRY OF AN ORDER PURSUANT TO
SECTION 542 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 9019
(A) APPROVING COMPROMISE OF NORTHWESTERN UNIVERSITY ACCOUNT
RECEIVABLE, (B) AUTHORIZING TRUSTEE TO EXECUTE FINAL WAIVER OF
LIEN, AND (C) TO SHORTEN RULE 2002 NOTICE PERIOD TO 14 DAYS**

Phillip D. Levey, not individually, but solely as Chapter 7 trustee (the “Trustee”) for the Estate of AEC Electric Corporation (the “Debtor”), through his special counsel, Carlson Dash, LLC, files this motion (the “Motion”) pursuant to 11 U.S.C. § 542 and Rule 9019, FED. R. BANKR. P., to enter an order (a) approving a compromise of the collection of certain accounts receivable from Northwestern University (“Northwestern”); (b) approving and authorizing the Trustee to execute a settlement agreement and the accompanying final waiver of lien substantially in the form attached hereto as Exhibit A with respect to certain property owned by Northwestern to which the accounts receivable relate; and, (c) to shorten the Rule 2002 notice period for objections to the proposed compromise to 14 days. In support of this Motion, the Trustee states as follows.

Jurisdiction and Venue

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334 in that this action arises in, arises under, and/or relates to the Debtor’s bankruptcy proceeding.
2. This Motion is a core proceeding under 28 U.S.C. § 157.
3. This Court has venue over this Motion pursuant to 28 U.S.C. § 1409.

4. Pursuant to 11 U.S.C. § 542, the Trustee is entitled to collect property of the Debtor held by third parties. This Motion is brought pursuant to Bankruptcy Rule of Procedure 9019.

Factual Background

5. On December 22, 2014 (the “Petition Date”), AEC Electric Corporation (the “Debtor”) filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code.

6. The Trustee was duly appointed, qualified and acting trustee of this Chapter 7 case.

7. The Debtor operated a commercial electrical contracting business located in Niles, Illinois. Among the assets which constitute property of the Estate are certain accounts receivable for electrical contracting services rendered by the Debtor prior to the Petition Date.

8. Northwestern is the owner of certain real property in Evanston, Illinois and Chicago, Illinois (the “Property”).

9. Prior to the Petition Date, Northwestern hired the Debtor as a direct contractor for certain electrical construction work on Northwestern’s Property and as a subcontractor to National Heat & Power Corp. for certain electrical construction work on Northwestern’s Property.

10. According to the Debtor’s books and records, Northwestern owes the Debtor: (i) \$774,132.77 as a direct contractor; and (ii) \$108,000 as a subcontractor to National Heat & Power Corp. for certain goods and services that the Debtor provided before the Petition Date in connection with the Property.

11. By assignment, Northwestern is the holder of Claim Numbers 13, 14, 15, 16, and 17 filed on the claims register of the above-captioned matter, which total \$879,655.02 (the “Claims”).

12. A dispute arose about the amounts claimed due by Debtor from Northwestern and the validity of the Claims.

13. Counsel for the Trustee previously demanded payment from Northwestern for all amounts Debtor claims are due as described in Paragraph No. 9 above.

14. Northwestern disputes the amounts sought by the Debtor, and further claims that it is entitled to offset the Claims against any amounts due and owing to the Debtor. Following negotiations pertaining to the same, counsel for the Trustee and counsel for Northwestern, after consultation with and receipt of authority from their respective clients, have reached a compromise as to the amount due to and from Northwestern.

Proposed Settlement and Relief Requested

15. The Trustee proposes a settlement with Northwestern as follows: (a) payment in the amount of \$308,000.00 from Northwestern to the Trustee (the “Settlement Amount”); and, (b) contemporaneously with Trustee’s receipt of the Settlement Amount, the Trustee shall execute final waivers of lien for all work performed by Debtor on Northwestern’s Property. The terms of the proposed settlement are set forth in the settlement agreement attached hereto as **Exhibit A**.

16. “In conducting a hearing under Rule 9019(a), the bankruptcy court is to determine whether the proposed compromise is fair and equitable and in the best interest of the bankruptcy estate.” *Depoister v. Mary M. Holloway Found*, 36 F.3d 582, 586 (7th Cir. 1994) (internal citations omitted). In making this determination, a bankruptcy judge should compare the terms of the compromise with the likely rewards of litigation, taking into account all facts necessary in order to form an intelligent and objective opinion. *Id.*

17. Here, the debtor was an electrical construction subcontractor. The Northwestern receivables relate to work performed on several, distinct parcels of the Northwestern Property. Debtor did not perfect mechanic’s liens for said work. The parties exchanged documents related to the Northwestern receivables and the Claims. Based on the foregoing, Northwestern asserted that the Claims completely offset amounts it might otherwise owe to the Debtor, and would leave Northwestern with an additional unsecured claim of over \$100,000. The Trustee disputes

Northwestern's position. The Trustee brings this Motion for compromise and settlement in the interest of avoiding the costs associated with litigating Northwestern's receivables. Moreover, pursuant to the Parties' agreement, Northwestern will retain the ability to assert the Claims and the Trustee retains his right to object thereto and has not agreed to the allowance of the Claims.

18. The anticipated cost of litigation does not justify the risk that the Estate would take to get a result better than the offered settlement. Accordingly, the Trustee believes it is in the best interest of the Estate to accept the proposed Settlement Amount.

19. Notice of this Motion has been given to (a) Northwestern through its counsel; and (b) all parties on the regular service list for this case, including the U.S. Trustee's Office.

20. Pursuant to Fed. R. Bank. P. Rule 2002, Trustee is to provide 21 days' notice by mail of the hearing approving the compromise proposed herein.

21. However, pursuant to Fed. R. Bank. P. Rule 9006(c)(1), this Court, in its discretion may reduce the time required for an act to be done under other rules on good cause shown.

22. Here, Trustee's special counsel was unable to obtain approval for the filing of this motion far enough in advance to provide 21 days' notice as required by Fed. R. Bank. P. Rule 2002 due to Trustee's prior established travel plans.

23. Trustee does not anticipate objections to this motion and further states that cause for shortening the notice period here exists because Trustee, and the estate, will incur increased fees in the form of additional court appearances by special counsel to present this motion. Special counsel will already be in front of this Court on this matter on October 4, 2017 and seeks to present this motion on that date, as well.

WHEREFORE, Phillip D. Levey, Trustee, respectfully requests this Court to enter an order:

(i) allowing and authorizing him to enter into a settlement with Northwestern University pursuant to the terms set forth in the Motion above;

- (ii) shortening the notice period for objections to this compromise to 14 days; and,
- (iii) providing such other and further relief as this Court deems just and appropriate.

PHILLIP D. LEVEY, TRUSTEE

By: /s/ James M. Dash
One of his Attorneys

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